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Joint report of the Wiesbaden Group on Business Registers, the Committee of Experts on Business and Trade Statistics and the Inter-Agency Task Force on International Trade Statistics

Note by the Secretary-General

In accordance with Economic and Social Council decision 2018/227 and past practices, the Secretary-General has the honour to transmit the joint report of the Wiesbaden Group on Business Registers, the Committee of Experts on Business and Trade Statistics and the Inter-Agency Task Force on International Trade Statistics. The report summarizes recent developments regarding the work of the Wiesbaden Group, as presented at its twenty-sixth meeting, held in Switzerland in September 2018, and its future areas of work. In accordance with a request of the Statistical Commission at its forty-eighth session, the report also contains the programme of work and the mandate and governance of the Committee of Experts on Business and Trade Statistics, based on the outcome of its first meeting in Mexico in 2018, organized by the Statistics Division of the Department of Economic and Social Affairs of the Secretariat. The report also contains information about work on the International Classification of Non-Tariff Measures, which was prepared by the United Nations Conference on Trade and Development and endorsed by the Expert Group on International Statistical Classifications, and on the work of the Inter-Agency Task Force on International Trade Statistics. The Statistical Commission is invited to consider the points for discussion outlined in section VI of the report.

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Joint report of the Wiesbaden Group on Business Registers, the Committee of Experts on Business and Trade Statistics and the Inter-Agency Task Force on International Trade Statistics

I. Introduction

1. In its resolution 48/114, adopted at its forty-eighth session in March 2017, the Statistical Commission:

(a) Welcomed the report of the Wiesbaden Group on Business Registers and congratulated the Wiesbaden Group on the progress made on a number of emerging issues;

(b) Reiterated the importance of business registers and underlined the need for capacity-building activities in this area for developing countries;

(c) Endorsed the proposal to establish United Nations guidelines for statistical business registers based on existing guidelines, notably the *Guidelines for Statistical Business Registers* of the Economic Commission for Europe, and taking into account the needs of countries with less developed statistical systems by incorporating practical guidance and country cases applicable to a broad range of statistical systems;

(d) Requested the creation of a committee of experts with balanced geographical representation and with terms of reference to prepare the guidelines for statistical business registers and give guidance on issues of business and basic economic statistics, taking into account the use of administrative data, the choice of statistical units in the context of globalization and issues related to a large informal sector;

(e) Endorsed the updated terms of reference of the Wiesbaden Group.

2. The present report contains a summary of recent developments regarding the work of the Wiesbaden Group on Business Registers (sect. II); the programme of work and the mandate and governance of the Committee of Experts on Business and Trade Statistics, based on the outcome of its first meeting, held in Mexico in May 2018, organized by the Statistics Division of the Department of Economic and Social Affairs of the Secretariat, and the proposed United Nations guidelines for statistical business registers (sect. III); the work on International Classification of Non-Tariff Measures, which was prepared by the United Nations Conference on Trade and Development (sect. IV); and an update of the work of the Inter-Agency Task Force on International Trade Statistics (sect. V). Points for discussion are presented in section VI.

II. Twenty-sixth meeting of the Wiesbaden Group on Business Registers

3. The Wiesbaden Group on Business Registers[1] is a city group under the United Nations Statistical Commission, which provides a forum to exchange views and experiences in the development, maintenance and use of statistical business registers, including conceptual and methodological issues and good practices related to the

[1] Additional information on the Wiesbaden Group can be found in the report of the Statistical Commission on its forty-eighth session (E/2017/24-E/CN.3/2017/35) and on the website of the Wiesbaden Group (https://unstats.un.org/wiesbadengroup/).

registers, which are important instruments for the compilation of high quality economic statistics.

4. The twenty-sixth meeting of the Wiesbaden Group on Business Registers took place in Neuchâtel, Switzerland, from 24 to 27 September 2018 (see http://www.wiesbaden2018.bfs.admin.ch/). The meeting, hosted by the Swiss Federal Statistical Office, gathered over 100 participants from 50 countries and 7 international organizations; live streaming of the meeting was available, allowing interested parties to follow the event remotely. Country progress reports, as well as reports from the European Central Bank and the European Union, were presented, followed by seven thematic sessions. The country progress reports provided an opportunity for experts in the field of statistical business records from around the world to exchange up-to-date information on their ongoing and planned projects aimed at improving the construction, maintenance and use of business registers. A summary of the thematic sessions is given below.

A. Thematic sessions

5. **Innovation in statistical business registers**: the increasing demands of society for economic information, especially on emerging issues, combined with limited resources, technological advancements and economic globalization, have motivated national statistical offices to introduce innovations in the production of economic statistics. New initiatives include: mapping of statistical business registers along with other administrative data through the use of application programming interfaces developed by Google; increasing response rates, based on knowledge acquisition; providing consistent and coherent information through a single national statistical business register; and adapting existing registers to new models, based on new technology. A constant in these four projects was the use of information technologies, the evolution of which has enabled the performance of tasks that were previously considered unthinkable.

6. **Integrated statistical register systems**: the statistical community is engaged in the question of how statistical business registers can become part of integrated systems, thus maximizing their use as assets for national statistical offices. Statistical business registers can be used to link multiple sources of data, opening up avenues to address a broad range of policy questions. Such a change in approach could lead to a wider view of the registers, not only as tools for the development of sampling frames but also as a basis for the production of statistical outputs taken directly from the registers themselves. Sample countries with integrated statistical business registers include: Canada, where Statistics Canada has integrated its register on business statistics with property and people registers; and the Netherlands, where the national register has enabled greater integration through a virtual data lake. Integrated register systems also allow for the better coordination of surveys and in-depth analysis of specific characteristics of entrepreneurs engaged in international trade.

7. **Administrative data**: Modern statistical business registers are based on legal units derived from administrative sources, such as national trade registers or tax administration systems. However, national governmental bodies also maintain numerous other kinds of administrative records that can be useful in the production of economic statistics and improvement of the timeliness, coverage and quality of statistical business registers. By acquiring access to administrative records, and by understanding and exploiting their content, a strengthened backbone role for the registers can be achieved. In this regard, gaining access to administrative data is needed, and can be improved through better communication and cooperation with administrative data suppliers.

8. The generic statistical business register of Lesotho was presented as a model: the system has proven successful in bringing about the faster adoption of statistical concepts, structures and tools to improve the quality of national economic statistics. The adaptation of the model to other African countries might be considered. Micro-data linkages of statistical business registers to administrative sources and surveys improve understanding of the behaviour of companies, their ownership structures and their effect on the economy. In this regard, the global Legal Entity Identifier initiative may be viewed as an additional source for inclusion in the development of statistical business registers, assisting Governments to understand and connect the corporate dots globally.

9. **New data sources**: New data sources, in combination with existing data sources and corresponding new technologies, can improve the timeliness, coverage and quality of statistical business registers. Data is now produced digitally and is handled and stored in the same way. For example, ordering goods on a business website is invoiced digitally and stored automatically in a cloud-based accounting system, then shared digitally between systems. This can and should facilitate statistical data collection by national statistical offices from many enterprises.

10. In addition, a combination of web-scraping, text-mining and machine-learning techniques can be used to collect enterprises data for statistical business registers. This, however, would require investment in a variety of high-level skills by national statistical offices, given the complexity of both substance and technology. Furthermore, data innovation strategies aimed at introducing complementary methods for traditional as well as new data sources must include awareness-raising measures regarding the added value of data innovation in official statistics.

11. Crowdsourcing platforms, web-crawling programmes and different open data projects provide opportunities to obtain more complete data on multinational enterprise groups. Multinational enterprises are key drivers of the global economy in terms of value added, trade and employment, but data on such enterprises are difficult to obtain using traditional sources alone; new data sources and new techniques are needed. A collaborative effort on the part of international organizations could potentially provide timely information on changes in the structure of these enterprises, including investments and divestments, mergers and acquisitions and relocations.

12. **Profiling and globalization**: the organization of multinational enterprises into global value chains has made it difficult to collect accurate statistics on their business activities, and detailed information from reliable sources is required for the production of high quality statistics in this regard. The direct involvement of multinational enterprise groups would improve the quality of economic statistics on their activities. The multiple sources of statistical information related to the work of multinational enterprise groups (resulting from the number of different entities within the groups, owing to their global structure) can be organized and developed through the use of up-to-date tools for economic analysis. In addition, more detailed information on the location of global decision centres, where the strategic decisions of multinational enterprise groups are taken, may be obtained through collaboration between national statistical business registers and the different interfaces of the EuroGroups Register, maintained by Eurostat.

13. **Quality and coverage of statistical business registers**: the quality of economic statistics depends directly on the quality of statistical business registers (especially in terms of coverage) either because: (a) survey frames are derived from the registers themselves; or (b) microdata-linking procedures are based on the registers. The quality of the registers could be improved by better methodologies with regard to

business censuses, better relations with administrative data providers, better activity coding services and the adoption of data quality management programmes.

14. **Output of statistical business registers**: in addition to their basic role in the production of survey frames and combined data sets, statistical business registers are increasingly being used to produce statistical figures. The session focused on statistical outputs generated from the registers, which revealed that not only business but also many other statistical domains can benefit from the use of the registers. The presentations illustrated how data from the registers can be employed to produce the statistical output of the registers themselves. In the past, the use of the registers was restricted to users inside national statistical offices; by becoming suppliers of statistical data, the registers will be made accessible to external users. For this reason, the registers must now consider questions of the confidentiality of published aggregates and the quality of the figures they publish.

15. In February 2016, given the increasing importance of the statistical business registers for economic policies and the need for the international harmonization of these new statistics, the Bureau of the Conference of European Statisticians requested the production of guidelines on the use of statistical business registers for business demography and entrepreneurship statistics. These guidelines will be available by the end of 2018 (see www.unece.org/statistics/publications.html).

B. New activities of the Wiesbaden Group on Business Registers

16. There is currently no single up-to-date exchange platform containing information on national and international activities in the context of statistical business registers. While this information is provided and made available in different contexts on the websites of the relevant statistical offices and international organizations it is not directly accessible to the entire international business register community.

17. To promote the exchange of information within the business register community, the page of the Wiesbaden Group on Business Registers on the website of the Statistics Division (https://unstats.un.org/wiesbadengroup/) will be enhanced and transformed into a central platform for the provision of all information relevant to the entire statistical business register community, including international collaborations, working groups and national and international projects.

18. The Global Legal Entity Identifier Foundation has proposed a collaboration with the Wiesbaden Group on ways to provide access to the Foundation's registry data, including relationship data, and webinar seminars are planned for this purpose. In addition, access to the network of the Corporate Registers Forum, an association of international corporate registries (http://www.corporateregistersforum.org), and to the European Commerce Registers' Forum (http://www.ecrforum.org/) is under discussion. The provision of such a level of access could also support unique identification activities in countries that do not yet have such services, and would promote the activities of the Wiesbaden Group.

19. The next meeting of the Wiesbaden Group, in Mexico in 2020, will be hosted by the National Institute of Statistics and Geography. With the establishment of the Committee of Experts on Business and Trade Statistics, the Wiesbaden Group and the Committee will work together in a complementary manner on issues related to statistical business registers in order to advance work in this area in the most efficient and effective way possible.

III. Committee of Experts on Business and Trade Statistics

20. In response to the request by the Statistical Commission for the creation of a committee of experts to prepare the guidelines for statistical business registers and provide guidance on issues related to business and basic economic statistics (E/2017/24, chap. I.C, decision 48/114), the first meeting of the Committee of Experts on Business and Trade Statistics was organized in Mexico City from 23 to 25 May 2018, hosted by the National Institute of Statistics and Geography. At the first meeting, participants discussed and formulated the mandate and governance of the Committee and developed its programme of work. The mandate and governance, presented in annex I to the present report, was prepared by the members of the Committee (see annex II).

21. One conclusion of the first meeting of the Committee was that a narrow focus on statistical business registers would not be an adequate response to the growing demand for information on the multi-faceted impact of business-related activities. The Committee agreed to adopt a holistic approach to business statistics, linking the economy to society and to the environment. Given its broad scope, this approach will follow an enterprise-centred perspective with regard to the concept and definition of statistical units, classifications and data infrastructures, including business establishments. In particular, the approach emphasizes the vital role that statistical business registers can play in providing reliable statistics for the development of evidence-based economic, social and environmental policies as well as their importance for the consistent production of high quality statistics across all economic and policy areas. The approach will also incorporate a global dimension, differing from the traditional "domestic" orientation that continues to dominate the framework of economic statistics in most countries, in order to reflect the impact of the increasing fragmentation of production and the growing and significant importance of multinationals and their affiliates. This enterprise-centred perspective, which exemplifies an integrated approach to business, trade and investment statistics, will also include a cross-border dimension in order to ensure the inclusion of data on the activities of important multinational enterprises and enterprises that work mainly on contracts with foreign companies.

22. Because of this broad approach to business statistics, within which their integration with international trade is fundamental, the Committee agreed to amend its name to Committee of Experts on Business and Trade Statistics, in order to promote the integration of business and trade statistics. The name does not, however, cover all conceptual and technical aspects that characterize the statistical domain of international trade, including certain aspects of the regulatory framework. The Committee will work in a complementary manner with existing groups dealing with specific topics, such as the Inter-Agency Task Force on International Trade Statistics and the Wiesbaden Group on Business Registers. Overall, in the execution of its mandate the Committee will adopt an integrated economic statistics approach based upon an enterprise-centred perspective.

23. The work programme of the Committee is organized within five work streams: task teams created for each work stream will develop concrete workplans for an initial period of two years, until 2020. The work streams are interrelated, and the task teams will build on each other's work, when relevant, and will ensure coordination of their activities.

24. **Task team on globalization and digitalization**. This task team is chaired by Canada. Members of the team include: Australia, Austria, Denmark, France, Indonesia, Mexico, Switzerland, the United Kingdom of Great Britain and Northern Ireland, Eurostat, the International Monetary Fund (IMF), the Organization for

Economic Cooperation and Development (OECD) and the Statistics Division. At its first meeting the Committee reconfirmed that the priority for business and trade statistics was to provide information on the impact of globalization, in particular the impact of global value chains and of digitalization, on the structure, activities and performance of the economy as measured in terms of value added, jobs, income, foreign direct investment, international trade in goods and services and other economic variables.

25. Considering the key role played by digital technologies in enabling the global flow of goods and services, the task team will focus on fostering collaboration between and the integration of national and international programmes relevant for globalization and digitalization and will promote an integrated conceptual framework for globalization and digitalization issues. The task team will also: focus on resolving classification issues related to firms/statistical units and products (goods and services) to support the conceptual framework on globalization and digitalization; conduct research into data sources, including surveys, administrative data and big data, on the global and digital economy; investigate the impact on prices (including Internet versus brick-and-mortar prices, sharing economy prices, prices for new digital products and services and adequate quality adjustment) in order to provide practical advice on how to measure quality adjustment for digital goods and services and which data sources to use; and prepare a handbook and a supporting knowledge base on country practices.

26. **Task team on well-being and sustainability**. This team is chaired by the United Kingdom. Members of the team include: Denmark, the United States of America, Eurostat, IMF, OECD and the Statistics Division. In considering this thematic area, the Committee underlined the importance of linking business and household statistics to the macroeconomic accounts and sectoral accounts of the System of Environmental Economic Accounting (SEEA) (for example, water, energy and emissions) through micro-macro links, using the data in statistical business registers. Well-being and sustainability encompasses a broad field, which includes decent work, environmental impacts, the Sustainable Development Goals and human rights. The task team will focus on aspects of well-being and sustainability from an enterprise perspective and will identify how business statistics can be improved to provide a better measurement of the impact of business activities in the above-mentioned areas. Potential data sources will be explored, including the sustainability reports of companies and their links to the core set of Sustainable Development Goal indicators.

27. **Task team on statistical business registers**. This task team is chaired by the Netherlands. Members of the team include: Australia, Egypt, France, Georgia, Jamaica, Tunisia, the United Kingdom, State of Palestine, Eurostat, IMF, OECD and the Statistics Division. Statistical business registers are the backbone for the production of economic statistics. Worldwide today, there is an increasing demand for integrated, consistent and comparable business statistics across countries and statistical domains. Furthermore, there is a growing interest in new phenomena, including globalization, digitalization, well-being, sustainability and the gig economy. It has therefore become increasingly important to establish and maintain a sound and comprehensive statistical infrastructure for the production of relevant high quality economic statistics. Statistical business registers need to keep on playing a crucial role in providing data on these developments.

28. The task team will focus on two main aspects: developing guidance relevant for developed and developing countries for making business registers more inclusive, even in a rapidly changing economy; and fostering and providing guidance on the use of statistical business registers to establish a reliable statistical infrastructure. Because of its cross-cutting nature, the task team will work in close cooperation with the other task teams.

29. The task team will also advice the Statistics Division on the possible development of a global collection and dissemination tool for trade and foreign affiliate statistics by enterprise characteristics for both trade in goods and trade in services (while addressing challenges faced by national statistical offices, notably, the poor quality of existing business registers and linking methodologies) and the development of a global enterprise group register. In response to the decision of the Commission at its forty-sixth session (see E/2015/24, chap. I.C, decision 46/107) to promote and advance "the creation of a global enterprise group register, building on and taking into account lessons learned from the ongoing EuroGroups Register project", the Statistics Division has started to develop, from information publicly available, a global enterprise group register for a limited number of the largest global multinational enterprises. The Statistics Division is also developing a strategy for the verification of the reliability of the information as well as a sustainable mechanism for maintaining and updating the information on a regular basis.

30. **Task team on business dynamics, demography and entrepreneurship**. This task team is chaired by Mexico. Members of the team include: Colombia, Egypt, Georgia, Eurostat, the International Labour Organization (ILO), OECD and the Statistics Division. The Committee, at its first meeting in Mexico, confirmed the increasing importance of business demographic and entrepreneurship statistics and the need for international harmonization in developing these statistics for countries outside of OECD and the European Union. The publication of the Economic Commission for Europe, *Guidelines on the use of statistical business registers for business demography and entrepreneurship statistics*, provides guidance in line with other international manuals in this domain, including: *Guidelines on Statistical Business Registers* (Economic Commission for Europe, 2015), *Eurostat-OECD Manual on Business Demography Statistics* (2007) and *Business Registers: Recommendations Manual* (Eurostat, 2010).

31. The task team is expected to look further into the need for international harmonization for countries outside OECD and the European Union related to the drivers of business activity, such as innovation and communication technology, research and development, e-commerce, globalization, employment and skills development. The task team will make an assessment of each of these emerging areas of national practice, including challenges to the compilation of data, in order to develop recommendations and guidance on the harmonization of these statistics. Particular attention will be given in the assessment to the central role of statistical business registers in surveys and censuses.

32. **Task team on capacity-building (leaving no one behind)**. This task team is chaired by the State of Palestine. Members of the team include: Japan, South Africa, Eurostat, IMF, OECD and the Statistics Division. Given the strategic importance of statistical business registers within the overall statistical system, and the gap between countries in utilizing their administrative registers in the production and integration of business statistics, the task team will focus on capacity-building for the production of statistical business registers, with the aim of developing and examining the best ways to reduce the gap between countries to ensure that no one is left behind.

33. The task team aims to integrate efforts by international and regional organizations in conducting assessments, developing guidelines and training materials for the establishment, maintenance and improvement of statistical business registers. The task team will conduct a global assessment of national registers, based on which it will develop: common capacity-building materials and tools for the development of the registers; a strategy to promote the benefits of the registers that can be used as advocacy in countries; and a quality assurance framework for the registers, to be used by countries as a self-assessment tool. In this context, the task team may benefit from the capacity-building activities of the Statistics Division on

the integration of trade statistics and statistical business registers: related assessments will build on the 2015 United Nations global survey on national practices in linking trade statistics and business registers.

34. The next meeting of the Committee will take place in June 2019 at United Nations Headquarters in New York to review and discuss the initial progress in the implementation of the work programmes by the task teams and the complementary work of other regional and international bodies on topics related to the work of the Committee.

35. Within its mandate, the Committee will regularly provide a detailed report on its workplan and activities for the consideration of the Statistical Commission, including progress in the implementation of the workplan. It is proposed that the Committee will report to the Commission in 2020.

United Nations guidelines for statistical business registers

36. In response to the request of the Statistical Commission (E/2017/24, chap. I.C, decision 48/114) to "establish United Nations guidelines for statistical business registers based on existing guidelines, notably the *Guidelines for Statistical Business Registers* of the Economic Commission for Europe, and taking into account the needs of countries with less-developed statistical systems by incorporating practical guidance and country cases applicable to a broad range of statistical systems", the Committee prepared a list of issues that needed to be updated through an online consultation and further discussed them during its first meeting in Mexico and at an ad hoc meeting organized back-to-back with the twenty-sixth meeting of the Wiesbaden Group. The list of issues that were identified as being most important in developing and maintaining statistical business in less-developed statistical systems can be found in the summary report of the meeting of the Committee.[2]

37. The draft United Nations guidelines for statistical business registers will be circulated for global consultation during the period from January to February 2019 and will be submitted as a background document to the Commission at its fiftieth session.

38. The Committee recognized that the concerns and needs of developing countries regarding the identification and compilation of all businesses go far beyond the scope of the *Guidelines for Statistical Business Registers* of the Economic Commission for Europe. It was agreed by the Committee that the update of the draft United Nations guidelines would be limited in scope to reflect the most important issues in developing countries and that further guidance should be developed to more completely and comprehensively address the problems faced by developing and the least developed countries. The task team on the exhaustive business registers will work towards the development of such comprehensive guidelines, in particular the inclusion of guidance for dealing with all the components of the informal sector.

IV. International classification of non-tariff measures

39. Non-tariff measures, such as sanitary and phytosanitary measures, are generally defined as policy measures other than ordinary customs tariffs that can potentially have an economic effect on international trade in goods by changing quantities traded, or prices, or both. The importance of non-tariff measures relative to tariffs has grown significantly since tariffs, either through successive rounds of multilateral trade negotiations, unilateral liberalization or the creation of preferential trade agreements,

[2] The summary report is available online at: https://unstats.un.org/unsd/trade/events/2018/mexico/Summary%20Report%20of%20the%20UN%20Committee_Mexico%20meeting_final.pdf

have reached very low levels. Because the definition of non-tariff measures can be broad, a detailed classification is of critical importance in order to better identify and distinguish among the various forms such measures can take. It is equally important to have a classification that is recognized internationally so as to ensure the harmonization of data collection across countries and the international comparability of data on non-tariff measures.

40. Although the United Nations Conference on Trade and Development (UNCTAD) started collecting data on non-tariff measures in 1994, according to the Coding System of Trade Control Measures, the Multi-Agency Support Team was created in 2006, with objective of: (a) providing a clear and concise definition of non-tariff measures; (b) developing a classification of non-tariff measures to facilitate the data collection process and analysis; (c) devising an efficient way to collect non-tariff measures; and (d) providing guidelines for the use of collected data. The Multi-Agency Support Team is composed of the following organizations: UNCTAD, the Food and Agriculture Organization of the United Nations (FAO), IMF, the International Trade Centre (ITC),OECD, the United Nations Industrial Development Organization (UNIDO), the World Bank and World Trade Organization (WTO), in addition to observers from the United States Department of Agriculture, the United States International Trade Commission and the European Commission.

41. In 2008, after a series of meetings and consultations, members of the Multi-Agency Support Team came up with a first draft of a new classification of non-tariff measures. Subsequently, the new classification was tested and used, on a pilot basis, to collect data on such measures in the following seven countries: Brazil, Chile, India, the Philippines, Thailand, Tunisia and Uganda. Following this pilot exercise, the draft classification was further improved, based on feedback received from pilot countries, and the first version of the new classification was launched in 2009. This classification was used to collect data on non-tariff measures in several countries until it was again revised by the Multi-Agency Support Team in 2012.

42. In early March 2017, UNCTAD submitted a short paper to the Expert Group on International Statistical Classifications explaining the work on the classification of non-tariff measures, its conceptual basis and applications, along with the classifications in the questionnaire on the International Family of Classifications. The Expert Group discussed the classification and provided feedback at its meeting held from 6 to 8 September 2017.

43. The classification was reviewed against best practice guidelines for the development of international statistical classifications, considered against the criteria to become a member of the International Family of Classifications and finally put through a grading criteria to determine the status of the classification within the International Family of Classifications. In April 2018, the Expert Group endorsed the International Classification of Non-Tariff Measures as an international statistical classification and recommended its inclusion in the International Family of Classifications. The International Classification of Non-Tariff will be made available to the Commission as a background document.

V. Inter-Agency Task Force on International Trade Statistics

44. The Inter-Agency Task Force on International Trade Statistics was established by the Statistical Commission in 2014 and is co-chaired by OECD and WTO. The mandate of the Task Force covers both merchandise trade and trade-in-services statistics, and aims to increase the availability, quality and comparability of trade statistics. In doing so, it acts as the inter-agency channel for advancing improvements to trade statistics and works in collaboration with the IMF Committee on Balance of

Payments Statistics and other existing international organization working bodies, such as the OECD Working Party on International Trade in Goods and Trade in Service Statistics, the OECD Expert Group on Extended Supply-Use Tables, and the Eurostat Balance of Payments Working Group, including its work on trade in goods statistics by enterprise characteristics and the Eurostat Expert Group on International Trade and Economic Globalization.

45. The Inter-Agency Task Force on International Trade Statistics works to: (a) provide updates and the exchange of information on methodological and data quality issues; (b) enhance the transparency of related metadata, newly released datasets and publications; (c) advance conceptual and definitional issues; and (d) support in the development of new products. Its work includes the following areas:

- Balanced views of bilateral trade in services dataset, (OECD and WTO)
- Balanced views of merchandise trade (OECD)
- A database on international transportation and insurance margins, (OECD)
- A database on merchandise trade price indices (OECD)
- A database on trade in services by modes of supply (WTO)
- Additional items included in the United Nations Comtrade database (UNSD)
- Trade in goods statistics by enterprise characteristics (Eurostat and OECD)
- Trade in value added estimates produced by OECD, WTO and Eurostat (International and Global Accounts for Research in Input-Output Analysis project (FIGARO)).

46. This report summarizes the main activities of the Task Force as discussed at its most recent meeting (10 and 11 October 2018), which included collaborative work to reduce trade asymmetries in support of global value chain analysis; the development of a handbook on measuring digital trade; the development of a global- trade- in-services by mode-of-supply dataset, the coordination of statistical capacity-building and the measurement of the economic activity of multinational enterprises at the global level.

47. In 2019, the Inter-Agency Task Force on International Trade Statistics will undertake an evaluation of its coexistence with the Inter-Secretariat Working Group on International Trade and Economic Globalization Statistics, as requested by Bureau of the Statistical Commission in 2014 (see E/CN.3/2016/24, para. 4). The Task Force will report back to the Statistical Commission in 2020.

48. **Reducing bilateral trade asymmetries for global value chain analyses**. All members of the Inter-Agency Task Force on International Trade Statistics attach great importance to reducing asymmetries as part of the overall efforts to improve data quality and ease their analytical use. Significant progress was reported by OECD and Eurostat towards the reduction of bilateral trade asymmetries in merchandise trade and the development of balanced merchandise trade statistics. The Statistics Division has included bilateral trade asymmetries as a regular agenda item in its capacity-building activities in order to raise awareness and facilitate discussion on the topic in developing countries. The Division has also been collecting data on trade in merchandise by partner country of origin and consignment for imports, which contribute to efforts in reducing asymmetries. The growing number and intensity of national and bilateral initiatives to study and reduce asymmetries were warmly welcomed. In addition to improving the quality of trade statistics more generally, the collaborative work will support improvement in the measurement of global value chains and ensure consistency across the various regional and global trade in value added initiatives.

49. Similar progress was made by OECD and WTO in the development of a balanced trade in services database in the sixth edition of the Balance of Payments and International Investment Position Manual, to complement and update the existing dataset in the fifth edition. The Statistics Division volunteered to follow up on individual asymmetries with reporting countries.

50. **Measuring trade in services by modes of supply**. WTO reported on progress it had made in developing an international database containing an experimental dataset on trade in services by modes of supply, building on a WTO-UNCTAD-ITC dataset based on information on approximately 200 economies, using data collected from 2005 to 2017 as starting point. Missing data were completed using a variety of estimation methods, after which the simplified approach in the Manual on Statistics of International Trade in Services was applied to develop estimates of trade in services supplied via modes 1, 2 and 4. The database also incorporates official national statistics on modes of supply, where available, to further improve the estimates, including at the global level.

51. Trade in services delivered via mode 3 was estimated using data on foreign affiliates statistics (FATS) based on existing Eurostat, OECD and national data, as well as estimates. The WTO dataset will also incorporate data that have been developed in parallel by Eurostat for the countries of the European Union, following a similar approach. The Task Force congratulated WTO and Eurostat on their work while noting that several methodological issues will require further attention, in particular more detailed national data for certain variables in the field of foreign affiliates statistics.

52. **Digital trade**. The meeting of the Inter-Agency Task Force on International Trade Statistics in 2018 was supplemented by its informal expert group meeting with representatives from developed and developing countries and international agencies to discuss the conceptual measurement framework for digital trade and to share emerging compilation practices. The group held a detailed discussed on the first draft of the proposed handbook on measuring digital trade, which is currently being developed in response to policy demands for additional information on digital trade, including from the Group of 20 and the international statistics community.

53. The handbook presents a conceptual framework for measurement of digital trade, developed in coordination with similar work on the digital economy in the SNA community, as well as practical compilation guidance, based on an inventory of current measurement practices and pilot studies in more than 70 countries,[3] as well as extensive deliberations with experts in relevant international forums over the past two years (including the IMF Committee on Balance of Payments Statistics, the OECD Working Party on International Trade in Goods and Trade in Service Statistics and the Eurostat Balance of Payments Working Group, as well as discussions held during the UNCTAD e-commerce week.

54. A background document to the present report provides the current draft of chapter 2 of the handbook, introducing the draft conceptual framework. As agreed by all members of the Task Force, the draft of the handbook, which consists of the conceptual framework and compilation practices, will be made available as a "living document" on the Task Force website, as well as on the websites of OECD and WTO, to allow for the further collection of compilation practices.

[3] See Organization for Economic Cooperation and Development (OECD) (2017), "Measuring Digital Trade: Towards a Conceptual Framework", and OECD-International Monetary Fund (IMF) (2017), "Measuring Digital Trade: Results of OECD/IMF Stocktaking Survey", paper presented at the IMF Committee on Balance of Payments Statistics meeting, 24–26 October 2017, Paris.

55. **Statistical capacity-building**. One of the objectives of the Inter-Agency Task Force on International Trade Statistics is to coordinate statistical capacity-building in trade statistics among international organizations and between them and statistical organizations. To further facilitate the coordination of demand and supply for such technical assistance, as well as to leverage resources, the Task Force proposes to create an online technical assistance hub. Interested institutions in developing economies such as national statistical offices, central banks or ministries could submit requests and priorities for technical assistance, as well as seek online methodological guidance from experts. The Task Force agreed to investigate further how this could be made to work efficiently with existing systems at individual international organizations, and to assess the resource implications.

56. **Analytical Database on Individual Multinationals and their Affiliates**. A report was presented on progress in the development of the OECD Analytical Database on Individual Multinationals and their Affiliates. The idea behind the creation of the database is to counter the current lack of information on multinational enterprises by providing statistics on the scale and scope of their international activities. By using innovative methods and data sources (including, web-scraping and text analytics) and combining them with traditional financial reporting sources, the database will provide: (a) a register of the parent-affiliate structures of multinational enterprises; (b) a series of economic indicators, using specific multinational enterprises, as well as the countries in which their affiliates operate, as a model; and (c) a monitoring tool to provide a timely flow of information on the restructuring of multinational enterprises to aid the work of national data compilers. International collaboration, in particular with the Eurostat EuroGroups Register and Early Warning System, underpins the overall approach, including intensive collaboration with national statistical offices and central banks to support the validation of the results and to ensure that the information is as useful as possible for the use of national statisticians in their profiling efforts on multinational enterprises.

57. The Statistics Division noted that complementary work is ongoing at the Division on the compilation of the global enterprise group register, which was mandated by the Statistical Commission in 2015 (E/2015/24, chap. I.C, decision 46/107).

58. **Classifications and correspondence tables**. The Inter-Agency Task Force on International Trade Statistics discussed several issues related to classifications, including the treatment of cryptocurrencies and coins as legal tender.

59. Regarding the treatment of cryptocurrencies, the Task Force took note of a draft IMF proposal to classify these as valuables (produced non-financial assets) and the consequent treatment of cryptocurrencies in trade statistics (as merchandise) and agreed that further investigation was necessary, including in collaboration with the National Accounts Section of the Statistics Division on the System of National Accounts (SNA).

60. Regarding the treatment of trade in coins as legal tender, the Statistics Division proposed the creation of a national breakdown of the Harmonized Commodity Description and Coding Systems to distinguish between coins of legal tender which are made of gold or precious metals "not in active circulation" and to include these in international merchandise trade statistics. The proposal was supported by the Task Force.

61. With regard to the compilation of correspondence tables, the Statistics Division reported that it would initiate consultations on its draft correspondence regarding the classifications set out in the 2012 edition of the Harmonized Commodity Description and Coding System (HS 2012), the Extended Balance of Payments Services and the Classification by Broad Economic Categories (Revision 5) and its intention to expand

this work to other years, including the 2017 edition of the Harmonized Commodity Description and Coding System (HS 2017). The Statistics Division will also circulate a proposal to undertake a fifth revision of the Standard International Trade Classification in collaboration with the World Customs Organization in preparation of the forthcoming 2022 edition of the Harmonized Commodity Description and Coding System (HS 2022).

VI. Points for discussion

62. **The Statistical Commission is invited to:**

(a) **Take note of the progress of work of the Wiesbaden Group on Business Registers;**

(b) **Endorse the name, mandate and governance of the Committee of Experts on Business and Trade Statistics, consider the proposed work streams of the task teams of the Committee, and take note of the proposal that the Committee report to the Commission in 2020;**

(c) **Endorse the United Nations guidelines for statistical business registers, encourage countries to use the guidelines in establishing and maintaining their statistical business registers, and request the Committee to develop a capacity-building programme on statistical business registers;**

(d) **Endorse the International Classification of Non-Tariff Measures for data collection across countries and for reporting on internationally comparable data on non-tariff measures;**

(e) **Take note of the activities of the Inter-Agency Task Force on International Trade Statistics.**

Annex I

Mandate and governance of the Committee of Experts on Business and Trade Statistics

A. Mandate

1. The Committee of Experts on Business and Trade Statistics is a statistical entity of the United Nations Statistical Commission, to be mandated, at the fiftieth session of the Commission, to provide coordination and guidance for the development of business and business-related statistics. These statistics provide information on the structure, economic activity, competitiveness and performance of businesses. In this regard, emphasis is placed on the ability of the Committee to meet new challenges and respond to policy and users' needs, including with regard to globalization, digitalization, well-being and sustainability. The Committee will take a broad approach to business statistics, in the compilation of which the integration with international trade is fundamental. Therefore, the inclusion of international trade in the name and the mandate of the Committee is to advance and promote the integration of business and trade statistics, although it does not cover all conceptual and technical aspects that characterize the statistical domain of international trade, including certain aspects of the regulatory framework.

2. This broad approach will allow for the identification and differentiation between categories of firms, such as exporter/non-exporter, foreign-owned/domestically owned, market/non-market, in statistical business registers, and, as such, requires the development of guidance and best practices in: economic profiling; classifications; data sources on businesses; business registers; and data management. The approach must also provide evidence and support analysis in other areas, such as: research and development; innovation activities; information and communication technology usage; measurement of price indices; and the environmental and social responsibility activities of businesses.

3. In order to achieve these goals, the Committee will adopt an integrated economic statistics approach based upon an enterprise-centred perspective in the execution of its mandate. An integrated approach to economic statistics calls for: the use of the System of National Accounts (SNA) as the conceptual organizing framework for economic statistics; the adoption of appropriate institutional arrangements as an enabling environment for integration; and the use of an integrated statistical production process based on common registers the use of common definitions and classifications and the integration of survey and administrative data sources.[1] While SNA will be the central organizing framework used to define business units, it is important to note that other frameworks, notably those used in the area of business demography and entrepreneurship statistics, where concepts such as births, marriages and deaths are central, will also form an important part of this integrated approach. An integrated approach to business and trade statistics means that their compilation is, to the largest extent possible, integrated and harmonized with economic, socio-demographic, environment and multi-domain statistics.[2]

4. Within this broader context of an integrated economic statistics framework, the objective of the Committee is to strengthen the basic business statistics needed for the overall improvement of economic statistics and for responding to emerging needs.

[1] See *Guidelines on Integrated Economic Statistics*, United Nations publication, 2013, Sales No. E.12.XVII.7.

[2] Economic Commission for Europe, "Classification of Statistical Activities, Rev 1", 2009.

In order to achieve this objective, the programme of work of the Committee will focus on the following five strategic areas:

(a) Coordination: ensure coordination integration and complementarity of programmes in business and trade statistics undertaken by international organizations and countries and provide a strategic vision in this area;

(b) Methodology and concepts: advance the methodological and conceptual work in business and trade statistics by identifying and prioritizing issues that need to be addressed, establishing appropriate mechanisms to address those issues, monitoring progress made, reviewing proposed solutions and submitting recommendations to the Statistical Commission for approval;

(c) Capacity-building: promote the implementation of latest international statistical standards and best practices in business and trade statistics in countries through the formulation, when possible, of system-wide and integrated implementation strategies;

(d) Data: promote the development and improvement of data information systems related to business and trade statistics at the national, regional and international level, in line with international statistical standards and international recommendations and advise on new areas of development, as needed, such as big data;

(e) Communication/promotion and statistical response on emerging issues: engage with users of business and trade statistics (for example, in the academic, business and government sector), particularly in the developing world, with a view to promoting the use of the statistics and identifying emerging areas; and engage prominently at the level of the international agenda by articulating a coordinated statistical response from an examination of business and trade statistics, in particular in high-priority areas, such as globalization, digitalization, well-being and sustainability and the 2030 Agenda for Sustainable Development.

5. In elaborating its work programme, the Committee shall identify the most promising avenues to foster the expansion and integration of business, notably with trade statistics, in order to increase the quality and relevance of official statistics with respect to the needs of users.

6. The Committee has an umbrella function in providing overall vision, coordination, prioritization and direction in the field of business and trade statistics and their integration. The Committee will ensure that it works in a complementary manner with existing or new groups covering business and trade statistics and it will also coordinate its activities and findings with related groups and bodies, such as those working in the areas of national accounts and other economic statistics, labour and other social and demographic statistics and environment and multi-domain statistics.

7. Within its mandate, the Committee will regularly provide a detailed report on its workplan, including its activities, for the consideration of the Statistical Commission and report on the progress in its implementation.

B. Governance

8. The major elements of the governance arrangements are shown in the diagram below. The description of the governance follows the diagram and covers the managerial functions, roles and responsibilities of the various groups and organizations involved. The boxes within the shaded large box represent the bodies of the Committee or projects under the Committee's responsibility. Technical expert

groups and city groups are shown outside the shaded box, when they were established by bodies other than the Committee and have their own governance and reporting structure. Nevertheless, when their programmes of work overlap with that of the Committee, the Committee may coordinate with these external bodies as mandated by the Statistical Commission.

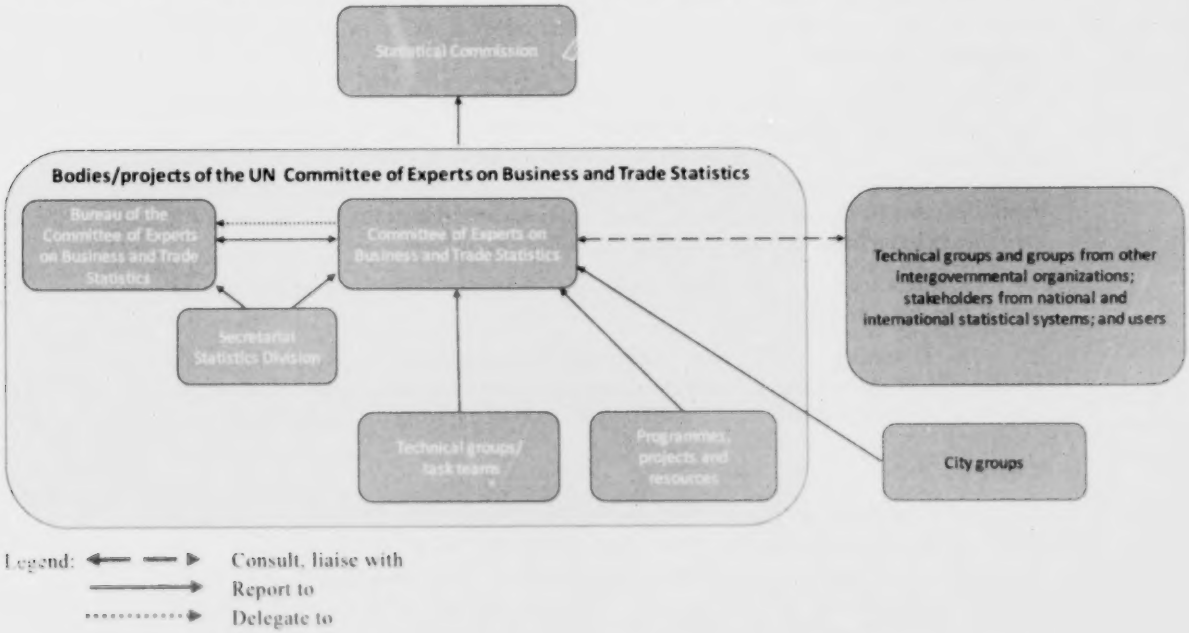
United Nations Statistical Commission

9. The United Nations Statistical Commission is the entity that establishes the Committee, approves its mandate and work programme and monitors its progress of work.

Committee of Experts on Business and Trade Statistics

10. The Committee of Experts is a country-led intergovernmental body, comprising members from Member States and international organizations, which is responsible for carrying out the mandate outlined in section A above. The Committee is also responsible for reporting the progress of its programme of work to the Statistical Commission.

Governance structure of the Committee of Experts on Business and Trade Statistics


Statistical Commission
Bodies/projects of the UN Committee of Experts on Business and Trade Statistics
Bureau of the Committee of Experts on Business and Trade Statistics
Committee of Experts on Business and Trade Statistics
Secretariat Statistics Division
Technical groups and groups from other intergovernmental organizations; stakeholders from national and international statistical systems; and users
Technical groups/ task teams
Programmes, projects and resources
City groups
Legend:
Consult, liaise with
Report to
Delegate to

11. Within each area of its work programme, the Committee will undertake specific activities, engaging existing city groups and/or other expert groups and establishing new technical groups, as needed, to carry out its activities. For large projects, such as the development, updating or implementation of international standards, it may be necessary to develop project management frameworks for adoption by the Committee.

12. Broadly speaking, the Committee will undertake the following tasks in respect of the programmes under its responsibility:

(a) Strategic planning, programming and monitoring: develop and monitor a strategic multi-year framework and annual work programme of the Committee that reflect its ongoing priorities and objectives, including: providing strategic direction

for its activities; ensuring the complementarity and proper coordination of its activities; agreeing on governance arrangements; formulating the workplans of technical groups and projects, including communication strategies and budgets; assigning or negotiating the tasks of the technical expert groups and groups from other intergovernmental organizations; tracking progress; and ensuring adequate and effective review of technical matters

(b) Reporting: reporting to the Statistical Commission on the workplans and projects within its mandate; receiving regular reports from the technical groups; and liaising with stakeholders, including managing their expectations and gaining their support;

(c) Resource mobilization: ensuring that workplans and projects are adequately resourced; raising funds from external sources, as needed, for example in the case of special projects; recommending staffing for the projects; and monitoring cash and in-kind budgets.

13. High-level representation will be necessary to ensure the strategic role of the Committee in setting priorities, bringing forward a research agenda, taking decisions on standards and developing a strategic vision.

14. Members of the Committee will comprise high-level representatives from national Governments and international organizations with expertise in business and trade statistics. In addition, members will be selected so as to ensure equitable regional representation.

15. Given the wide range of topics covered by the Committee, as well as the need to keep the size of the Committee manageable in order to ensure in-depth discussion, the members of the Committee will comprise about 30 representatives from Member States and organizations. Depending on the topics on its agenda, additional subject matter experts from Member States and international organizations may be invited to participate in technical groups and projects of the Committee.

16. Members are appointed to the Committee for an initial period of three (3) years, which may be renewed.

17. The Committee will have a face-to-face meeting once a year. In special circumstances, ad hoc face-to-face meetings may be organized. In between meetings, electronic discussions will be the preferred method of carrying on consultations.

Chair

18. The Committee will elect, from among its members, the Chair for a period of three years, renewable for one term. The role of the Chair is to develop, in close cooperation with the Bureau and the secretariat, a multi-year strategic framework and an annual programme of work for the Committee, monitor progress of the various components of the programme and set the agenda for the meetings.

19. The Chair will represent the Committee at international meetings and will play a key role in promoting and communicating the work of the statistical community with other communities, namely the scientific, academic, business and policymaking community. She or he will engage the various stakeholders and seek supports for Committee projects.

Bureau

20. The Bureau, which will work under delegated authority from the Committee, is established to assist the Committee with the day-to-day management of its programme of work and the projects under its responsibility. These activities and tasks are organized by task teams, for which members of the Bureau will be assigned

as leads. Decisions taken by the Bureau, under the delegated authority from the Committee, will be reported back to the Committee.

21. The Bureau, under the delegated authority from the Committee, will carry out the activities and tasks in relation to coordination, methodological development, data and data management, statistical capacity-building, promotion and statistical response on emerging issues, in line with the workplans and projects within its mandate.

22. The Bureau of the Committee will consist of members of the Committee at the senior level in national statistical offices and international and regional organizations. The Bureau will include the Chair, the secretariat and senior officials from Member States and international organizations endorsed by the Committee from among its members for a period of three (3) years. Members of the Committee who lead the Committee's task teams will be members of the Bureau. The Chair may also invite other experts, chairs of the city and expert groups to participate in the meetings of the Bureau.

Secretariat

23. The secretariat of the Committee and its Bureau will be the Statistics Division of the Department of Economic and Social Affairs of the United Nations Secretariat. The secretariat, which will be the main source of logistical and administrative support for the Committee, will receive guidance regarding such support from the Committee and its Bureau. Among the substantive and administrative tasks that the secretariat will undertake are the following:

(a) Consultation with countries and/or regional and other expert meetings on major substantive aspects of its programme of work, such as methodological standards;

(b) Management of the Committee's website;

(c) Preparation of the correspondence with the members of the Statistical Commission and national statistical offices;

(d) Preparation of reports to the Statistical Commission on behalf of the Committee and its Bureau;

(e) Provision of other substantive and administrative support to the Committee and its Bureau, as appropriate.

Technical groups/task teams

24. The Committee of Experts will convene technical groups/task teams to carry out its work programme and/or in support of specific projects, for example for normative and methodological matters. Such groups will be bodies of the Committee and, as such, will fall under its overall management and coordination. Task teams, which will be created within the Committee to address specific topics with a limited lifetime (generally, 2 years), will be composed of members of the Committee who express interest in being part of the task teams.

25. The technical groups may include experts in business and trade statistics who are not members of the Committee. These experts will be appointed by the Bureau of the Committee. Appropriate balanced regional representation must be considered in the composition among the members of these technical groups. Technical groups will only be created where existing groups cannot provide the necessary technical support and will be chaired by a member of the Bureau. The technical groups will have limited life spans and focus on selected issues.

City groups

26. Existing city groups may be engaged to work on specific programmes and projects under the responsibility of the Committee. The Committee, while respecting the character and mandate of these groups, will coordinate, within its mandate, its programme of work with those groups, as mandated by the Statistical Commission.

27. Specific tasks and responsibilities of these groups will be agreed upon between these groups and the Committee. The terms of reference for the tasks related to the programmes and projects will be formulated in coordination with every expert group. They will include specifications on deliverables, timelines and work arrangements for monitoring the technical discussions and for reporting recommendations to the Committee. The city groups will report to the Committee on the tasks and responsibilities agreed with the Committee.

Technical expert and inter-agency groups and groups from intergovernmental organizations

28. The Committee will liaise with other relevant technical expert groups and groups from other intergovernmental organizations that are already in existence and have their own mandate, governance and reporting structure. These groups include, the Inter-Secretariat Working Group on National Accounts and its Advisory Expert Group on National Accounts, the Inter-Agency Task Force on International Trade Statistics, the Committee on Balance of Payments Statistics of the International Monetary Fund, the Technical Advisory Group on Economic Statistics of the Economic and Social Commission for Western Asia and the Steering Group for the Regional Programme on Economic Statistics of the Economic and Social Commission for Asia and the Pacific. For areas in the programmes of work of the aforementioned groups that fall within its scope of work, the Committee will initiate liaison with such groups in order to ensure complementarity between the programmes and to advance an integrated economic statistics approach in the broader area of economic statistics.

Annex II

List of members of the Committee of Experts on Business and Trade Statistics: 2018

Africa

Egypt:	Central Agency for Public Mobilization and Statistics
Ethiopia:	Central Statistical Agency of Ethiopia
Mauritius:	Statistics Mauritius Office
South Africa:	Statistics South Africa
Tunisia:	Institut national de la statistique

Americas

Canada:	Statistics Canada
Colombia:	Departamento Administrativo Nacional de Estadistica
Jamaica:	Statistical Institute of Jamaica
Mexico:	National Institute of Statistics and Geography
United States of America:	Bureau of the Census and Bureau of Labor Statistics

Asia and the Pacific

China:	National Bureau of Statistics of China
Georgia:	National Statistics Office of Georgia
Indonesia:	BPS – Statistics Indonesia
Japan:	Ministry of Internal Affairs and Communications
Sri Lanka:	Department of Census and Statistics
State of Palestine:	Palestinian Central Bureau of Statistics

Europe

Austria:	Statistics Austria
Denmark:	Statistics Denmark
France:	Institut National de la Statistique et des Études Économiques
Italy (Chair):	National Institute of Statistics
Netherlands:	Statistics Netherlands
Switzerland:	Swiss Federal Statistical Office

United Kingdom of Great Britain and Northern Ireland:	Office for National Statistics

Oceania

Australia:	Australian Bureau of Statistics

International and multilateral institutions, United Nations agencies, entities and organizations and regional commissions

Asian Development Bank

African Development Bank

Economic Commission for Africa

Economic Commission for Europe

Economic Commission for Latin America and the Caribbean

Economic and Social Commission for Asia and the Pacific

Economic and Social Commission for Western Asia

Eurostat

International Labour Organization

International Monetary Fund

Organization for Economic Cooperation and Development

United Nations Industrial Development Organization

United Nations Statistics Division (secretariat)